**MATERIAL CHANGE REPORT**

**To:** British Columbia Securities Commission
Alberta Securities Commission
Quebec Securities Commission
TSX Venture Exchange

**Item 1.** **Name and Address of Company** – **Klondike Silver Corp.**, Suite 711 – 675 West Hastings Street, Vancouver, B.C., Canada V6B 1N2

**Item 2.** **Date of Material Change** – July 8, 2010.

**Item 3.** **News Release** – News Release issued July 8, 2010, at Vancouver, BC.

**Item 4.** **Summary of Material Change – Klondike Silver Corp. (TSX-V: KS)** amends and closes private placement.

**Item 5.** **Full Description of Material Change** – **Klondike Silver Corp.** (TSX.V: KS) is pleased to announce an amendment and closing of a private placement previously announced June 1, 2010. The total number of units was increased from 15,000,000 to 16,200,000 at $0.05 per unit for total proceeds of $810,000. Each of the flow through units consisted of one flow through common share and one non flow through non transferable share purchase warrant entitling the holder to purchase one additional common share for two years at the price of $0.10 per share. Each of the non flow through units consisted of one non flow through common share and one non-flow through, non transferable share purchase warrant entitling the holder to purchase one additional common share for five years at a price of $0.10 per share in years one and two, $0.15 per share in year three and $0.20 per share in years four and five. Any shares issued pursuant to the private placement will be subject to a four month hold period. The proceeds of the private placement will be used for exploration programs and general working capital

In connection with the transactions, a cash commission totaling $40,800 was paid to Limited Market Dealership Inc. and Northern Securities. Included in the private placement was the sale of 10,000,000 flow-through units to MineralFields Group.

The Company announces that it has received TSX approval to extend the term and reduce the exercise price of 6,115,000 warrants issued by the Company which currently expire on July 9, 2010 (the "Warrants"). The expiration date of the Warrants will be extended for an additional 3 years, expiring on July 9, 2013.

The warrant exercise price is amended to $0.10 up to and including July 9, 2011. If the closing price for the Company's shares during this period is $0.125 or greater for 10 consecutive trading days, then the Warrantholder will have 30 days to exercise their warrants; otherwise the warrants will expire on the 31st day. The warrant exercise price will be $0.15 up to and including July 9, 2012. If the closing price for the Company's shares during this period is $0.1875 or greater for 10 consecutive trading days, then the Warrantholder will have 30 days to exercise their warrants; otherwise the warrants will expire on the 31st day. The warrant exercise price will be $0.20 up to and including July 9, 2013. If the closing price for the Company's shares during this period is $0.26 or greater for 10 consecutive trading days, then the Warrantholder will have 30 days to exercise their warrants; otherwise the warrants will expire on the 31st day.

After reviewing results from its Walsh Silver and Nickel South properties, the Board of Directors has determined not to continue with its options on these properties.

**Item 6.** **Reliance on Section 7.1(2) or (3) of National Instrument 51-102** – Not applicable.

**Item 7.** **Omitted Information** – The undersigned is aware of no information of a material nature that has been omitted.

**Item 8.** **Executive Officer** – Mr. Richard Hughes, President of the Issuer, is knowledgeable about the material change and this report. He can be contacted at (604) 685-2222.

**Item 9.** **Date of Report** – Dated at Vancouver, British Columbia, this 8th day of July, 2010.